



Nebraska Exemption Application for Common or Contract Carrier's Sales and Use Tax

• Attach Form 5, Page 2, to this application

FORM
5

PLEASE DO NOT WRITE IN THIS SPACE

NAME AND LOCATION ADDRESS			NAME AND MAILING ADDRESS		
Name Doing Business As (dba)			Name		
Legal Name					
Street Address (Do not use P.O. Box)			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code

1 Do you hold or have you previously held a Nebraska Identification Number? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, enter number _____	2 Federal Employer Identification Number _____	3 County of Business Location in Nebraska _____	4 Bus. Class. Code (NDR Use Only) _____
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5 Type of Ownership			
(1) <input type="checkbox"/> Sole Proprietorship	(4) <input type="checkbox"/> Domestic Corporation	(7) <input type="checkbox"/> Governmental	(10) <input type="checkbox"/> Cooperative
(2) <input type="checkbox"/> Partnership	(5) <input type="checkbox"/> Foreign Corporation	(8) <input type="checkbox"/> Fiduciary (Estate or Trust)	(11) <input type="checkbox"/> Limited Liability Company
(3) <input type="checkbox"/> Nonprofit Corporation	(6) <input type="checkbox"/> Domesticated Corporation	(9) <input type="checkbox"/> Nonprofit Organization	

6 Accounting Basis	7 Accounting Period (Type of Year)	8 Location of Records	
(1) <input type="checkbox"/> Cash	(1) <input type="checkbox"/> Calendar - January 1 to December 31	(1) <input type="checkbox"/> Same as Location Address	(2) <input type="checkbox"/> Same as Mailing Address
(2) <input type="checkbox"/> Accrual	(2) <input type="checkbox"/> Fiscal - 12 Month Ending _____	(3) <input type="checkbox"/> Other Address _____	
(3) <input type="checkbox"/> Other _____	(3) <input type="checkbox"/> Fiscal - 52 or 53 Week Ending _____	Street Address	City State Zip Code

9 Identify owner, partners, members, or corporation officers (One of the listed individuals must sign as applicant).	
Social Security Number	Name, Address, City, State, Zip Code

10 Provide a detailed description of your business operations and describe how the vehicles listed on Form 5, Page 2, are used.

11 Have the vehicles listed on Form 5, Page 2, been used predominantly as a common or contract carrier since the date of purchase?
☐ YES ☐ NO If No, please explain how the vehicles have been used _____

12 Do you haul for hire? <input type="checkbox"/> YES <input type="checkbox"/> NO	13 Does your company own any of the materials and property that are hauled by the vehicles listed on Form 5, Page 2? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, give percentage of total miles driven hauling your own materials and property _____.%
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14 Do you haul passengers for hire? <input type="checkbox"/> YES <input type="checkbox"/> NO	15 Are any of the passengers hauled by the vehicles listed on Form 5, Page 2, employees of your company? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, please explain: _____
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16 Are the drivers of the motor vehicles listed on Form 5, Page 2, employees of the company that hired you to transport its materials, property, or personnel? <input type="checkbox"/> YES <input type="checkbox"/> NO	17 Do you hold a grain dealer's license? <input type="checkbox"/> YES <input type="checkbox"/> NO	18 Do you buy and sell grain? <input type="checkbox"/> YES <input type="checkbox"/> NO
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19 Are any of the vehicles listed on Form 5, Page 2, used to haul rock, sand, or gravel? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, give percentage of total miles driven that you haul rock, sand, or gravel _____.% If Yes, who bills the customer for the materials that you haul? (Check appropriate box) <input type="checkbox"/> Your Company <input type="checkbox"/> Company Where You Picked Up the Materials <input type="checkbox"/> Third Party	20 Do you operate: A construction, excavation, or demolition business? <input type="checkbox"/> YES <input type="checkbox"/> NO A refuse or garbage hauling business? <input type="checkbox"/> YES <input type="checkbox"/> NO As a custom grain harvester? <input type="checkbox"/> YES <input type="checkbox"/> NO A water hauling business? <input type="checkbox"/> YES <input type="checkbox"/> NO A farm cooperative? <input type="checkbox"/> YES <input type="checkbox"/> NO
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21 Are you or someone else required to hold a Certificate of Public Convenience and Necessity or a permit issued by the Nebraska Public Service Commission to haul any of the materials, property, or passengers listed on Form 5, Page 2? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, enter N.P.S.C. number and attach a copy of the permit. _____	22 Are you or someone else required to hold a Certificate of Public Convenience and Necessity or a permit issued by the Federal Highway Administration or a Federal Aviation Administration Certificate Number to haul any of the materials, property, or passengers listed on Form 5, Page 2? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, enter F.H.W.A., or F.A.A. number and attach a copy of the permit. _____
23 Do you lease or trip lease your vehicles to anyone? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, enter the percentage of your total miles traveled under lease or trip lease to another carrier or company. Attach a copy of any written lease agreement. Lease _____ %	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> 24 Do you lease your vehicles from anyone? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, attach a copy of written lease agreement. </div> <div style="width: 48%;"> 25 Application is Made For: <input type="checkbox"/> Contract Carrier Certificate of Exemption <input type="checkbox"/> Common Carrier Certificate of Exemption </div> </div>
26 Are you an independent contractor hauling for another carrier? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, attach a copy of written contract.	

Under penalties of law, I declare that I have examined this application, and to the best of my knowledge and belief, it is correct and complete.

**sign
here** ►

Signature of Owner, Partner, Member, Corporate Officer,
or Person Authorized by Attached Power of Attorney

Title

Date

()

Daytime Phone Number

FOR DEPARTMENT OF REVENUE USE ONLY

☐ APPROVED

COMMENTS: _____

☐ DISAPPROVED

EXEMPTION CODE _____

Authorized Signature

Date

Have questions? Check our Web site: www.revenue.ne.gov or call 1-800-742-7474 (toll free in NE and IA) or 1-402-471-5729.

Mail this application to: **NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98903, LINCOLN, NE 68509-8903**

INSTRUCTIONS

WHO MUST FILE. Any person who owns or leases a motor vehicle, trailer, or semitrailer, watercraft, or aircraft, that is used predominantly as a common or contract carrier and who desires to purchase such common or contract carrier vehicles and the repair and maintenance parts for such common or contract carrier vehicles tax exempt, must complete the Nebraska Exemption Application for Common or Contract Carrier's Sales and Use Tax, Form 5, and Form 5, Page 2.

The fact that a company has been granted a Certificate of Public Convenience and Necessity or a Permit by the Federal Highway Administration, the Nebraska Public Service Commission, or a Federal Aviation Administration Certificate Number does not qualify such person for a sales and use tax exemption as a Nebraska licensed common or contract carrier. All exemption certificates expire every third year beginning October 1, 1995, regardless of when the certificate was issued.

SPECIFIC INSTRUCTIONS

LINE 1. If you hold or have previously held a Nebraska identification number such as a common or contract carrier exemption, sales tax, motor fuels tax, corporate or partnership identification number, enter that number. Do not enter your

social security number.

LINE 3. Enter the Nebraska county that you consider to be your principal business location in Nebraska.

LINE 8. These records must contain sufficient detail for the Nebraska Department of Revenue to verify the sales and use tax exemption.

LINE 9. A sole proprietorship must identify the owner. A partnership must identify each partner. A limited liability company must identify its members. A corporation must identify each corporate officer. If additional space is required, attach a schedule using the same format.

LINES 10 THROUGH 26. Answer these questions in a manner which most clearly reflects your current and future operations. **If you are just beginning operations, answer these questions based on your anticipated business operations.**

AUTHORIZED SIGNATURE. This application must be signed by the owner, partner, member, or corporate officer listed on line 9. Persons who are not listed on line 9 but who are signing the application must attach a completed power of attorney.



Nebraska Exemption Application
for Common or Contract Carrier's Sales and Use Tax

Name as Shown on Form 5

• Attach this form to Form 5

Nebraska Identification Number

List all motor vehicles, trailers, semitrailers, watercraft, and aircraft to be used in a common or contract carrier capacity.
You must give a complete description and mileage or hours information for each listed motor vehicle, trailer, semitrailer, aircraft, or watercraft.
NOTE: If you are just beginning operations, you must estimate your mileage for each vehicle.

Make and Model	Year	Body Type	Type of Property Hauled	MILEAGE OR HOURS INFORMATION • Use Preceding 12-Month Period		Column C Total Miles (A + B)	Column D Common or Contract Carrier Usage (A ÷ C)
				Column A — All States (See instructions)	Column B (See instructions)		
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Please make a copy for your records.

INSTRUCTIONS

GENERAL INFORMATION. The term “vehicle” as used on this Form 5, Page 2, means motor vehicle, trailer, semitrailer, watercraft, or aircraft.

Vehicles used by construction contractors; rock, sand, and gravel companies; farm cooperatives; refuse (garbage) haulers; land leveling and excavation companies; custom grain harvesters; house movers; grain dealers; and water haulers generally do not qualify for this sales and use tax exemption. Miles traveled by these vehicles hauling their own property and equipment are not qualified common or contract carrier miles.

Vehicles such as pickup trucks, passenger cars, and vans (with the exception of taxi services) rarely qualify for the exemption. It is necessary that the carrier comply with all state regulatory agencies prior to filing for the sales and use tax exemption.

Companies who file an International Registration Plan (IRP) application or renewal application may attach a copy of the application with the mileage information for each vehicle used in a common or contract carrier capacity in lieu of listing them on this form. Vehicles not included on the IRP application that are used in a common or contract carrier capacity must be listed on this form. A statement as to the type of property that is transported by the vehicles should also be included as part of the application. A computer printout or CD providing the same information as required on this form will be accepted in lieu of completing the requested information on this form.

PREDOMINANT USE. Predominant use means the total measure of use of each vehicle measured in miles or hours. We refer to miles in most instances because the majority of the applicants are for motor vehicles, trailers, and semitrailers. If you are making application for an aircraft or watercraft, please substitute the word hours for miles as you read through the information.

TYPE OF PROPERTY. Please list the specific type of property hauled or indicate whether persons are transported. Examples: grain, cattle, produce, wood, steel, machinery, or mail.

MILEAGE INFORMATION. The preceding 12-month period is best explained by examples.

Example 1. If you are completing this form on April 4th, your preceding 12-month period is April 1 through March 31.

Example 2. If you are completing this form on October 17, your preceding 12-month period is October 1 through September 30.

Deadhead miles represent those miles the vehicle traveled empty going to load the property or traveled

empty between loads, and miles traveled empty when returning to home base after unloading the property hauled. Deadhead miles between loads on a single trip are treated the same as the load.

Column A. For each vehicle listed, enter the total miles traveled in all states during the preceding 12-month period in which you billed or received payments from other persons for hauling their materials and property, plus all related deadhead miles.

Column B. Enter for each vehicle listed the total actual miles traveled in all states for items 1 through 9 for the same period used to complete Column A.

1. Miles traveled transporting property owned by your company;
2. Deadhead miles traveled to pickup or return to base when the property transported was owned by your company;
3. Miles traveled under lease or trip lease to another carrier or company, that includes all fronthaul and backhaul leased miles;
4. Miles traveled transporting property pursuant to construction, excavation, or demolition contracts awarded to your company;
5. Miles traveled transporting property pursuant to a contract for which your company is billing for materials, property, and transportation costs;
6. Miles traveled for personal or business uses to go to a maintenance site, or for testing purposes;
7. Miles traveled under the Public Service Commission (PSC), Federal Highway Administration (FHWA), Federal Aviation Administration (FAA), or Liquid Fuel Carrier's permit authority belonging to another person;
8. Miles traveled pulling a trailer owned by another person and the property transported requires PSC, FHWA, or Liquid Fuel Carrier's permit authority and the authority belongs to the person who owns the trailer; and
9. Miles traveled when the customer who owns the property transported provides the operators of the vehicles.

Column C. Enter the total miles listed in Column A and Column B.

Column D. Enter the percentage of common or contract usage. Column A divided by Column C.

Nebraska Common or Contract Carrier

Revised March, 2005

For more information, check our
Web site: www.revenue.ne.gov



This information guide provides an overview of the Nebraska common or contract carrier sales and use tax exemption program. It is not designed to answer all questions which might arise, but is intended to enable a person to become familiar with the provisions of this program.

Overview

The purchase, lease, or rental of motor vehicles, trailers, semitrailers, watercraft, and aircraft used predominantly as common or contract carrier vehicles, as well as repairs and replacement parts for such vehicles, are exempt from sales and use tax.

Definitions

Vehicle. The term “vehicle” as used in this information guide means motor vehicle, trailer, semitrailer, watercraft, or aircraft.

Common carrier. Any vehicle predominantly used by its owner to offer to transport the general public or the goods of the general public from place to place for compensation.

Contract carrier. Any vehicle predominantly used by its owner to offer to transport, on a contractual basis, specific persons or the property of specific persons, from place to place for compensation.

Predominant use. Predominant use is when more than 50 percent of the vehicle’s use is to haul property or persons as a common or contract carrier. To calculate this percentage please see the “Calculating percentage of predominant use” section of this guide.

Non-qualifying Vehicles

The fact that a person has been granted one or more of the following certificates or permits does not qualify a vehicle for an exemption from Nebraska sales and use tax:

- Certificate of public convenience and necessity or a permit issued by the Public Service Commission;
- Certificate of public convenience and necessity or a permit issued by the Federal Highway Administration; or
- Federal Aviation Administration Certificate Number.

Vehicles used by construction contractors; rock, sand, and gravel companies; farm cooperatives; refuse (garbage) haulers; land leveling and excavation companies; custom grain harvesters; house movers; grain dealers; and water haulers generally do not qualify for this sales and use tax exemption. Miles traveled by these vehicles hauling their own property and equipment are not qualified common or contract carrier miles.

Vehicles such as pickup trucks, passenger cars, and vans (with the exception of taxi services) rarely qualify for the exemption. It is necessary that the carrier comply with all state regulatory agencies prior to filing for the sales and use tax exemption.

Certificate of Exemption

In order for a vehicle to qualify as a common or contract carrier for sales or use tax exemption purposes, the owner of such vehicle must submit an application on forms provided by the Nebraska Department of Revenue. Unless the vehicle has been qualified with the department, it shall be presumed that such vehicle is not a common or contract carrier for purposes of the sales and use tax exemption.

The owner or lessee must submit an application on forms provided by the Nebraska Department of Revenue to qualify **each** motor vehicle, trailer, semitrailer, watercraft, or aircraft used in their business operation as a common or contract carrier.

The certificate of exemption may be obtained by completing a Nebraska Exemption Application for Common or Contract Carrier's Sales and Use Tax, Form 5, and Form 5, Page 2. There is no fee for the certificate. All exemption certificates expire every third year beginning October 1, 1995, regardless of when the certificate was issued.

Vehicles that are added to your operations may qualify for the sales and use tax exemption provided there is evidence that they are used predominantly in a common or contract carrier capacity. A business that holds a current certificate of exemption is not required to submit another application for additional vehicles added to its operations until the next renewal period.

Calculating percentage of predominant use. The exemption is vehicle specific, and it is necessary to determine the predominant use of each vehicle. To calculate the percentage of the vehicle's use in a common or contract carriage capacity, divide the total number of miles or hours the vehicle was used to transport persons and property for hire, including all related common or contract carrier deadhead miles, by the total miles or hours the vehicle was used for all purposes. When determining the percentage of use, a 12-month period of operation should be used.

Example:

Motor Vehicle #106

Odometer reading January 1	73,146
Odometer reading December 31	160,409
Common/contract carrier miles from customer billing records and related deadhead miles	75,919
Total miles (160,409 – 73,146)	87,263
Percentage of common/contract carrier usage (75,919 ÷ 87,263)	87%

Deadhead miles represent those miles the vehicle traveled empty going to load the property or traveled empty between loads, and miles traveled empty when returning to home base after unloading the property hauled. Deadhead miles between loads on a single trip are treated the same as the load.

The percentage of use in a common or contract carriage capacity must be calculated for every vehicle listed on page 2 of Form 5. The calculation is done in columns A through D on page 2 of Form 5.

Owners and lessees who predominantly use vehicles to haul their own property, plus all related deadhead miles, are private carriers, and vehicles used in such a manner do not qualify for the exemption.

Tax-Free Purchases

When owners or lessees of qualified vehicles have been issued a Common or Contract Carrier Certificate of Exemption, only the following items may be purchased tax free:

- Common or contract carrier vehicles;
- Repair and replacement parts that become a physical part of a common or contract carrier vehicle;

- Accessories purchased for use with the common or contract carrier vehicle that could have been included in the list price of the vehicle at the time of purchase (accessories do NOT include boxes, pads, and packing materials used by transportation companies); and
- Equipment that is required by a federal or state regulatory agency to be included on or in a common or contract carrier vehicle operating in or through the State of Nebraska for the health or safety of passengers or cargo.

Each exempt purchase will be considered individually to determine the following:

- ✓ Is the vehicle predominantly used in a common or contract carriage capacity?
- ✓ Do the repair and replacement parts become a part of the vehicle?
- ✓ Could the accessories have been included in the list price of the vehicle?
- ✓ Is the equipment required by a federal or state regulatory agency?

Taxable Purchases

Listed below are examples of items that cannot be purchased tax free:

- Purchase or lease of vehicles that will be used to transport property owned by or employees of the person who holds a Common or Contract Carrier Certificate of Exemption;
- Purchase of office and shop equipment, furnishings, and supplies;
- Purchase of tools; and
- Boxes, pads, and packing materials purchased by transportation companies.

Documenting tax-free purchases. EVERY tax-free purchase of a vehicle predominantly used as a common or contract carrier, repair and replacement parts, accessories, or required equipment MUST be supported by appropriate documentation.

Purchases of repair and replacement parts, and accessories must be supported by a Nebraska Resale or Exempt Sale Certificate, Form 13, Section B, that is completed by the purchaser and retained by the seller. The purchaser's exemption number must be indicated on Form 13.

Registration of common or contract carrier vehicles without payment of sales tax must be supported by the purchaser's or lessee's completion of the Exempt Certificate portion of the Nebraska Sales and Use Tax Statement for Motor Vehicle and Trailer Sales, Form 6. The purchaser or lessee must indicate their exemption number in Exemption Category 2.

Out-of-state purchases. The Nebraska common or contract carrier exemption does not extend to purchases made in another state.

LESSORS OF MOTOR VEHICLES

The Nebraska statutes provide a sales and use tax exemption for motor vehicles predominantly used as common or contract carriers. A business that leases motor vehicles to other businesses or carriers is considered a lessor. Leased vehicles cannot qualify as common or contract carrier vehicles.

All lessors of motor vehicles are retailers and are required to obtain a Nebraska Sales Tax Permit and collect and remit tax on the gross lease receipts. To obtain the permit, you must complete a Nebraska Tax Application, Form 20, and return it to this department. After the application is processed, you will receive your permit.

A lessor collecting sales tax on the lease receipts may purchase and register the vehicles to be leased without

payment of the tax on the purchase price. The lessor is purchasing the vehicles for resale. In addition, repair and replacement parts for the leased vehicles may be purchased tax free provided the repair and replacement parts become a physical part of the leased vehicles. The repair and replacement parts may be purchased for resale. To purchase repair and replacement parts for resale requires the lessor to issue to the seller a properly completed Nebraska Resale or Exempt Sale Certificate, Form 13, section A. Please refer to Sales and Use Tax Regulation 1-019 or the department's information guide titled "Nebraska and City Sales Tax on Leased Motor Vehicles."

The lease receipts derived from leasing vehicles to Nebraska licensed common or contract carriers are exempt from sales tax. The common or contract carrier must issue to the lessor a Form 13 as described above.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call **1-800-742-7474** (toll free in NE and IA)
or **1-402-471-5729**

Nebraska Department of Revenue Web site address: www.revenue.ne.gov

A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

GRAND ISLAND

TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORFOLK

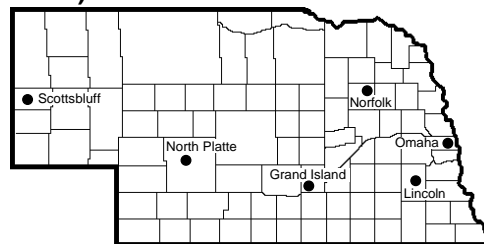
304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN

Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729



For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5730).

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.